

The State: From S.C. to D.C., stimulus jobs battle rages

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How many jobs has the controversial federal program really created?

By JAMES ROSEN

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There's no need to go to Washington to hear the increasingly shrill arguments over the number of jobs created by the \$787 billion economic-stimulus plan.

That dispute is raging across South Carolina among private-sector recipients of stimulus money and state government officials tracking the money and its impact.

New reports that the state unemployment rate rose to 12.1 percent last month, matching its peak level in June, gave added urgency to the debate.

Richard Jackson said his Columbia-based paving company has received about \$22 million from the recovery bill that President Barack Obama signed into law Feb. 17, and is using some of it to resurface roads in 28 counties across the state.

Jackson said his firm has 589 employees. That's up from 529 in February - but still considerably down from its 711-strong work force in April 2008 before the full brunt of the current recession hit.

"I don't want to be negative," Jackson said. "There have been some jobs created (by the stimulus). But those jobs have no (permanent) duration. What do we have to brag about if the jobs are temporary? We need long-term jobs."

Jim Ewart, co-owner of US Constructors in West Columbia, disagrees.

Highway and bridge work, he said, always has been fluid with contractors hiring and laying off people for periods of time, depending on their projects flow.

Ewart said his firm is building a bridge over the Enoree River on Route 49 in the Upstate with \$5 million in stimulus money. That project, he said, has enabled his company to avoid laying off three people and to hire one worker.

The company has bid on a \$100 million project to build three bridges along a stretch of U.S. 17 in Colleton County. If it gets that stimulus-funded job, Ewart said, his firm will be able to avoid laying off as many as 75 people and to hire more than 25.

"A job's a job," Ewart said. "Where do you want people - working on the highways for a few months or longer - or standing in the unemployment line?"

NUMBER DISAGREEMENT

The debate over stimulus jobs heightened when the Obama administration released data Oct. 29 saying the stimulus spending had saved or created 1 million jobs nationwide, including 8,147 in South Carolina.

S.C. Comptroller General Richard Eckstrom, tapped by Gov. Mark Sanford to oversee the state's use and reporting of its federal stimulus money, said the true number of stimulus-related jobs in South Carolina is likely half the number claimed by Obama.

"I would view those jobs with a very jaundiced eye," said Eckstrom, a Republican.

The state's top accountant thinks the economy was starting to turn around early this year - and that any jobs gained or preserved since then exist despite the stimulus package, not because of it.

"The (Obama) administration is like the rooster that crowed and said, 'Look at what I did - I made the sun come up,' " Eckstrom told McClatchy. "Congress passed the stimulus bill to take advantage of the recovery-in-the-making and in the process stalled the economy."

Eckstrom and Sanford - whose failed bid to reject \$750 million in stimulus money for South Carolina made national headlines - have been outspoken opponents of the plan from the start.

The National Governors Association just appointed Eckstrom and stimulus chiefs from nine other states to a new task force charged with devising more reliable ways of counting job gains tied to the recovery plan.

Eckstrom is pushing to count only permanent jobs, but he acknowledges his approach likely won't be accepted by the panel.

U.S. House Majority Whip Jim Clyburn, a Columbia Democrat, appeared to have Eckstrom in mind when he said much of the criticism of stimulus job claims is coming from early and persistent critics of the recovery program.

"I cannot speak to the actual number of jobs created in South Carolina," Clyburn said. "We must all rely on those who received the recovery funds to accurately report the number of jobs they created or saved."

"What I do know is that you can walk into almost any school in the state and speak with a teacher who had received a pink slip last spring when funding was uncertain, but who today still has his or her job thanks to the stimulus," he said. "The same is true for law enforcement agencies and prisons."

Republican lawmakers have distributed news reports of questionable stimulus job numbers. They jumped all over the Obama administration's initial inclusion of thousands of jobs in congressional districts that don't exist - including 52 jobs in seven phantom districts in South Carolina.

"To identify District 43 and District 00 and District 16 just creates such a credibility problem," said U.S. Rep. Joe Wilson, a Springdale Republican. "This is from an administration that said if the stimulus bill were enacted, (national) unemployment would not exceed 8 percent. We're currently at 10.2 percent."

Obama, traveling in Asia, called the flap over phantom districts a "side issue" and dismissed the criticism of the stimulus job data.

"I think this is an inexact science," Obama told Fox News. "We're talking about a multi-trillion-dollar economy that went through the worst economic crisis since 1933. The first measure of success of the economic recovery is, did we pull ourselves back from the brink? We did."

OVERSTATING IMPACT?

In South Carolina, S.C. Education Department spokesman Jim Foster said his agency had reported to the Obama administration that stimulus money had helped save or create 1,368 public schools jobs.

That figure didn't include a breakdown showing how many of the new or protected jobs belonged to teachers, but a survey of local school districts indicated the number would be about 760.

Eckstrom mocked those claims.

"We're not going to fire teachers," he said. "We never have, at least not in my lifetime. There's a lot of demagoguery there."

Eckstrom said that shortly before the deadline for states to report their stimulus job figures to Washington, the U.S. Labor Department issued new guidelines that clashed with those provided earlier by the White House budget office.

The Labor Department instructed the states to include jobs in a federal summer youth employment program, Eckstrom said, prompting South Carolina to add 2,700 spots to its total of 8,147.

"By the time we reported them, they weren't jobs any longer," Eckstrom said. "The kids were back in school."

Jim Gilio, a White House spokesman for the recovery program, declined to respond specifically to Eckstrom's claim.

"We remain on track to produce 3.5 million jobs over the course of the program," Gilio said. "Regardless of any imprecision in the data, the overall conclusion ... is irrefutable - the recovery act is already responsible for at least 1 million jobs nationwide."

At the Savannah River Site in Aiken County, managers of the federal nuclear complex have used a dozen employment agencies to hire workers to be paid with stimulus money.

Jim Giusti, a U.S. Energy Department spokesman at SRS, said the recovery money has allowed the facility to hire 1,552 new employees and to retain 811.

One of the main stimulus projects, Giusti said, is stripping down and sealing two inactive reactors, and removing tons of contaminated materials.

"We've hired everyone from administrative support and financial consultants to construction workers, welders, design engineers and computer folks," he said. "It's the whole gamut."

Giusti said the number of stimulus-funded workers will top out at around 3,000, thanks to \$1.6 billion in recovery money - the country's largest single stimulus project.

As large as that figure is, it presents a problem for Obama: His administration initially said the SRS recovery money would save or create 17,604 jobs - more than five times the number now projected.

Eric Gillespie is chief information officer for Onvia, a Seattle firm that helps private companies land government contracts.

Gillespie, who has testified before Congress on efforts to monitor stimulus spending, designed a Web site, recovery.org, that some analysts believe has tracked the federal initiative better than its official Web site, recovery.gov.

Gillespie said the Obama administration's initial job projections were way off the mark because they were based on a theoretical ratio - 10.9 jobs for every \$1 million spent - that bore little relation to reality and failed to account for vast differences among government-funded programs.

"The bulk of (stimulus) spending is going to come out in 2010 and 2011, so we're going to see more hiring done, but the reality now isn't anywhere close to the numbers they're reporting," Gillespie said. "What was promised was just overstated."

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